

Socialist Review

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For a socialist and democratic alternative

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Resist the Right

***OUR DESTINY
IS FREEDOM***



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Unmasking the Right

People who pick up a magazine called "Socialist Review" (a small but onto it group) are likely to be as appalled as we were by Don Brash's two Orewa speeches. Last year's speech attacked the "special treatment" that Maori get (no, not second-class housing and education – in Brashland, Maori are living in the lap of state-sponsored luxury); and this year's attacked welfare beneficiaries – especially solo mums. Both of these speeches are classic examples of right-wing populism.

Populism is a term that is thrown around a lot, but which has a specific meaning – it means advocating policies that are popular. Democracy, by contrast, means rule by the people. A slight theoretical difference makes a world of difference in practice. Essentially, populist politicians are elitist – they aim to distract the population from the real business of government. Some – like Hugo Chavez in Venezuela – may genuinely believe they are defending their people's interests, but nonetheless feel that the people are unfit to govern themselves. Right-wing populists generally take a more hostile view of ordinary people and their ability to govern themselves – and the policies they put forward are more cynical.

Brash's stirring is only one example of right-wing populism in the last couple of years. The attack on solo mothers this year dovetailed with the moralistic outcry over the civil unions law passed last year. Like Pastor Brian of Destiny Church, Brash believes in keeping families together, but instead of invoking God, he invokes the Almighty Dollar: think of the welfare savings if those women would stay in abusive relationships instead of going on the DPB. Peter "Anyone's" Dunne of United Future was in there too, doing a soft version of Pastor Brian on the civil unions bill and more recently, calling for Waitangi Day to be renamed "New Zealand Day" – might as well just call it "The Day" for all the meaning that has. Winston Peters' is the grand old man of right populism – he's cornered the market in anti-Asian rhetoric; while ACT quickly realised that economic "liberty" didn't wash with most people and have been catering to the obnoxious and opinionated ever since.

But for all their appeals to sexism, racism, and religion, the real interest of the right is the rich. The dominant feature of the world economy since the late 1970s has been a sharp jump in the wealth of the top ten percent and increased work and less income for the majority. Any politician who blames the woes of the day on loose morals or political correctness is in line for a big handout from business.

National will receive millions in corporate funding in the run-up to the 2005 election because, from the viewpoint of business, backing him is a 'win-win' investment. If the Nats lose, they will have nonetheless succeeded in pushing the Labour Government further to the right. If they win, then there will be a resumption of the 'special treatment' of New Zealand's richest in the form of tax cuts funded by cuts to welfare, education, health, state housing, and superannuation. As National's finance spokesperson puts it, "National is absolutely committed to creating the best possible operating conditions for businesses in New Zealand".

Unfortunately, Labour shares the same aim – but prefers to convince us that enriching the rich is in our interests too. Remember it was Labour in 1984 that started the privatisations that made the fortunes of our oligarchs. Since 1999, Labour's main contribution has been to embed the neo-liberal free market policies of the 1980s and 90s. Because there has been a cyclical economic upswing from 1999 to 2004, Clark's government was able to slacken the pace of free market structural adjustment, and soften a few of the harsher policies; but strident business opposition to any policy changes and low levels of working class struggle mean Labour has done nothing to really 'close the gaps' between rich and poor.

And that's why Labour is as much to blame for the ugly turn in New Zealand politics. They posture as a government of working people even as they lose their roots and confuse the views of big business with the interests of the nation. Labour's complacency, their abandonment of their core constituency – working class Pakeha – and their backstabbing of Maori last year, is sowing the seeds of a whirlwind. In the absence of a leftist party or movement that is a *democratic* vehicle for the real interests of ordinary people – then the field is left open for *populist* demagoguery with its arsenal of lies and hate.

What's Brash's Real Agenda?

Don Brash ranks along side Roger Douglas, Ruth Richardson, and Jenny Shipley as one of the most rightwing and slavishly pro-business/anti-working class politicians in New Zealand's recent political history.

Like them he is profoundly dislikeable. He is an arrogant, rich, racist, sexist, neoliberal extremist. This is a man who doesn't mind in the least if his policies on health and welfare make many more people impoverished and miserable, and cause unnecessary deaths due to lengthy waiting lists in the public health system. The infliction of pain and misery is necessary in order to 'encourage' people on welfare back to work. It is also necessary in order to fund the tax cuts that he is promising his big business mates who will be donating millions to the National Party's coffers in the run-up to the election later this year.

For these reasons and others, make no mistake: it is healthy to hate Don Brash. However, to stop him we need not just a sense of moral outrage, but also a clear-headed understanding of what his real agenda is and how we can stop it.

Policies to Make the Rich, Richer and Everyone Else Worse Off

Brash will happily play the 'race card', as he did in his 2004 Orewa speech, to build up popular support for himself and the National Party, but the issue of alleged 'Maori privileges' under the current Government's regime of so-called 'political correctness', is not his real concern. In fact, it's nothing more than a cynical exercise in vote grabbing on his part.

Tax Cuts

The thing he wants to do most is cut taxes for the rich. As he puts it "*we need to reduce tax rates substantially*". The first thing that his government will do, if elected, is to cut the rate of tax on corporate profits from 33% to 30%. These are the very same big corporations that will be buying these tax cuts on their profits by donating millions of dollars to the National Party's election campaign fund. The fact that this sort of thing not only can happen, but actually happens all the time, shows that New Zealand's system of government is corrupt and systematically biased in favour of the rich.



As if this wasn't bad enough, the top marginal rate for those earning over \$60,000 will also be reduced. National also promises tax relief for low and middle-income earners in paid employment, but this is bullshit. They promised that the tax cuts of the 1990s would also benefit these groups when in reality 2/3rds of the tax cuts went to the richest 20% of income earners.

These tax cuts are to be funded through reduced government expenditure on health, housing, education, and welfare: "reducing the size of the public sector relative to GDP is not something that can be done quickly or easily, but should be achievable over a period of years" (*Prosperity for All New Zealanders*, p.10).

“With a smaller government sector, it would be possible to reduce the total tax burden on the private sector, and that is one of the major benefits of a smaller public sector” (p.10).

Saving the Next Generation from Welfare Dependency?

If elected, National promises a re-run of Ruth Richardson’s 1991 ‘Mother of All Budgets’. It will:

- Reduce benefit rates
- Tighten eligibility criteria for all benefits
- Reintroduce work for the dole
- Bring in work tests for Unemployment Benefit and DPB
- Set time limits for benefits, that is, after you’ve been on a benefit for several years, you’ll be cut off (this is how the US system works).
- ‘Reform’ child support/tax system to increase the tax paid by fathers while cutting the amount of support provided to mothers on the DPB.
- Reduce the benefit rate for women who have another child while drawing the benefit.
- Increase the gap between welfare and work by cutting benefits.
- Increase monitoring and surveillance to find excuses to deny people benefits and/or cut them.

It should be obvious that these policies will inflict greatly increased poverty and misery on hundreds of thousands of New Zealanders in order to fund tax cuts that will only benefit the richest 10% of New Zealanders.

Education

In education National is planning to:

- Abolish school zoning.
- Introduce bulk funding.
- Increase funding for private schools.
- Fund tertiary education with cash vouchers to help students pay fees that will match the fullcost of their education, and ultimately privatise the universities.

National will also re-privatise ACC, reintroduce market rents for state housing and recommence the privatisation of the state housing stock.

Environment

It will make the Resource Management Act more business friendly by reducing compliance costs and (although obviously it doesn’t say this) environmental protection. A National Government will also reject the Kyoto Protocol which is aimed at doing something about global warming.



Attacking the Unions

A National Government will repeal the Employment Relations Act 2000 in order to grant employers the untrammelled right to hire and fire at will for the first three months of employment and outlaw strikes to support multi-employer contracts. It is also likely to force workers to take personal grievances to the civil courts if they have a problem with their employer.

Sucking Up to Uncle Sam

Brash and the Nats love George W. Bush and want to be South Pacific lackeys of US imperialism. National wants to scrap nuclear free policy in order to obtain a free-trade deal with the US.

How to Bash Brash

According to Brash, people like you and me who object to benefit cuts for the poor being used to fund tax cuts for the rich subscribe to “a politics of envy and resentment”. Well we’ve got news for him. We are many; he and the greedy rich folks he represents are few. If we organise in our unions and workplaces, on our campuses and in our schools, and mobilise masses of people to protest, march and occupy, we can take the power back.

It’s important to realise that we won’t stop Brash’s neoliberal agenda simply by voting for Labour or the Greens in this year’s election. Every time Brash proposes an outrageously right-wing policy, the Labour Government responds, not by fighting back, but by proposing a policy that is as bad or worse. The only way to do this is to prepare ourselves to take action on the ground against those who want to rule this country for the rich. The people united, will never be defeated!

Brian Roper

"FAMILY VALUES" CHRISTIAN FUNDAMENTALIST BACKLASH

In the last edition of *Socialist Review*, Issue 18, Shomi Yoon provided an overview of the debates around Civil Union and the struggle for gay marriage. Since then, the third reading has been passed and the implementation of the Civil Union Bill becomes effective from 26th April 2005.

Meanwhile, the Destiny Church phenomenon and its political faction, Destiny New Zealand, have expanded the relationships debate to include all people *living in sin* and the much maligned solo parent, indicating a general trend towards Christian fundamentalism in New Zealand society.

The talk of protection of marriage, children and families, intrinsic in the moral crusade of Destiny Church and Destiny NZ's political rhetoric, heralds a new right wing backlash against the struggle for diversity and equality, which resurfaces time after time to thwart social change. As ever, this backlash aims to maintain a moralistic and divided society, on the one hand, and calls for a return to patriarchal values and the suppression of self-determination on the other. Ultimately, what is at stake is that resistance towards the institution of the 'traditional' family, undermines a crucial need of the economy, which relies on working class women's unpaid labour in the home and community to maintain capitalism and its eternal quest for profit.

Despite the fact that the civil union law is far from an entirely progressive reform, debates around it have highlighted certain social realities which expose the discriminatory arguments spouted by Destiny NZ. Different family formations already exist in our society - solo parents, same-sex parents, childless couples, collective living households, composite families and traditional whanau relationships including whangai, as well as heterosexual couples. This illustrates the expression of diversity evolved through previous struggle and social change. Destiny NZ aims to reverse these gains back to a patriarchal rule.

In 2004, a submission prepared by right wing thinktank, the Maxim Institute, in their efforts to oppose the Civil Union and Statutory Relationship Bills, were reported to have encouraged



Destiny Church Protest March against Civil Unions, Wellington 2004

their supporters to get children to sign submissions to send to parliament. A number of statements were utilised in a generated letter, such as, "*we feel it is important for the government to say*



it is best for children when parents are married", "we would hate even more the idea of having a second mum in the house", or "why do you want to take away any reason to get married?" Putting words into children's mouths is highly unethical. It is exploitative and manipulates the minds of children; a tactic also deployed by Destiny Church on their 2004 march in Wellington.

Many reputable studies, however, show that there are no significant differences regarding childhood development between same-sex and heterosexual households. Indeed, some research indicates that more successful or egalitarian parent-child relationships develop in same-sex or alternatively structured households. It is also acknowledged that the greatest physical, mental and sexual abuse against children (and women) is enacted within the very same confines that are upheld by the Christian Right.

Same-sex unions or people who adopt different family formations are a threat to the convenience of traditional marriage arrangements, thereby 'complicating' the socio-economic status quo. Destiny NZ's moral crusade is simply a vehicle within which capitalism can ride under the mantle of "God's Law" and righteousness.

When Destiny NZ came to Dunedin to hold their first public meeting, in 2004, protesters outnumbered the meeting by 3 to 1. The only accurate statement delivered by party leader, Richard Lewis, was that he was "new to politics" and therefore totally naïve! Dare to visit the Destiny NZ website to witness yourself the unbelievable vision that this group of people aim to bestow upon us! Destiny NZ statements and policies are backed up by claims that are completely out of political and social context that represent a distorted worldview. They deploy rhetoric and sentiment that, for example, the new conservative fathers' rights movement espouse. Their manifesto is grounded in ignorance,

bigotry and condemnation under a veil of religious truth and humanitarian compassion.



Dunedin Protesters against Destiny NZ

Many say that the Destiny church and Destiny NZ phenomenon will fizzle out and we have no need to worry but, like other right wing predominance in our society, they still need to be resisted, challenged and ousted. Destiny Church's planned up-and-coming second march in Auckland, and the megalomania within this organisation may prove that vigilance is warranted.

Karin Reid



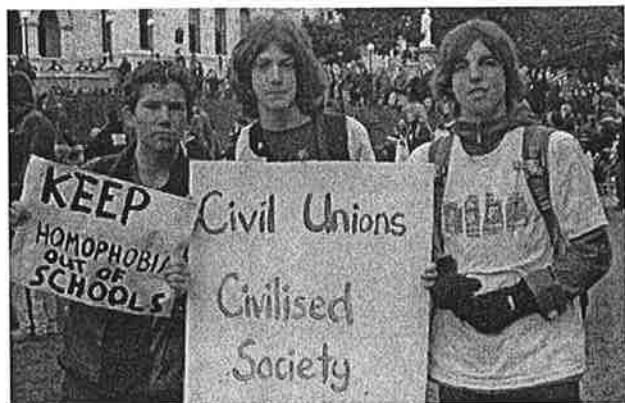
Solid, traditional family values. That's what my two wives and I are teaching our children.

Gay Rights and the Politics of Acceptance

Karin Reid caught up with international theatre worker, raconteur and Maori legend in his own lifetime, Rangimoana Taylor, who was in Dunedin performing in Ken Duncum's politically current play, *Cherish*, which deals with same-sex couples, surrogacy, parenthood and different family forms. Rangimoana identifies as gay, Maori, spiritual and a father, who lives in a same-sex relationship, and comments on what he thinks about the debates surrounding the Civil Union Bill and Destiny Church.

"I remember being up in Parliament and listening to some of the submissions for the Civil Union Bill. I heard one argument that is true against it [which] was that in the Netherlands, where they'd had the [legislation] a lot of the civil unions' only lasted 18 months. But if you look [more critically] into what that was, it was like you'd suddenly opened the doors and so people rushed in just to say that they could do it. And, although a lot [of civil unions] have only lasted this amount of time, there are others that have lasted a long time. In the same argument I would then put, if you've got nearly 50% of marriages dissolving, should we call an end to marriages altogether?

I also heard a parliamentarian tell me that he wasn't homophobic, he was just frightened of homosexuals or of homosexuality, which I thought *was* homophobia, but never mind. And then he said that he wasn't *scared* of homosexuals, he just didn't *believe* in them. Which is like saying I don't believe in water. Or, I only believe in jerseys and you're a sock, so just think yourself into a jersey. I think most people who want the Civil Union Bill may not even want it for themselves but they want it to have the right to choose. I don't think that if it actually passes I'm going to be racing round to say, right, give it to me now.



Religious entrepreneur: Brian Tamaki

Eight years ago, I said to people who I was working with, the fundamentalist Christian churches, will come in. And they said, don't be silly, it won't. We now have to face the fact, it will. I would like to think that [Destiny church] will not be a political party [and gather momentum], because church and state must remain separate, but I think they will strive. Brian Tamaki saying, "in 5 years I will rule this country" - and he said it on television "in 5 years, I will rule". If that's not megalomania, I don't know what is.

But, I fear. I don't want to live [in a theocracy], and I suppose Brian Tamaki would say, well good get out of the country because when I come on we ain't gonna have room for you, and we're going to repeal all these bills. So, he will repeal the Homosexual Law Reform. He will repeal the Prostitutes [Reform] Bill. But that will just send everything underground.

[Homosexuality has] always been there. Get your head out of the sand people, this is about protecting *people*, not minority groups like the Christian faith. There's going to be huge social change. I mean, what's going to happen in 50 years when we don't have oil?

[But] I want to live in a society where I can be with Communists, Socialists, where I can have good argument, where I can actually argue with Maori people, with all sorts of people, and a theocracy doesn't do that. A theocracy says *this* is the way there is no other. I'm not proud of being gay, I'm not proud of being Maori. That's what I am. And from my point of view, God made me like this".

The Destiny Church wrote to the Martin Luther King society, saying please support us. They got an answer back from Martin Luther King's widow saying there is no way we will support you, our top people - who actually got our civil rights - the second top person was a gay man. How can we go against those people? Because we were for *all* people to have rights.

What I objected to [about the Destiny Church demonstration in Wellington] was, gay people have been at the forefront of helping Maori issues. I have seen gay men and women out there. And what [the march] looks like is - because there was a strong Maori contingency - all Maori were against gay [issues], and that's not true.



Counter-Protesters at the Pro-Civil Union Rally, Wellington 2004

What [the Destiny Church march] was saying is we will not listen to anyone. We don't care who you are, we will not listen to you.

The churches have incredible power within their people. The Destiny church, [is] getting a lot of publicity, and it's actually not that big. But, they give their people permission. The archbishop of New Zealand, the cardinal of the Catholic faith, when they say things against [gays], and when the archbishop says, we'd be better off without these gay people, they give permission for us to be bashed up. They give permission for us to be killed. They are like Pontius Pilate, they wash their hands and hand you over to the mob. That's what they are doing.

People from the Destiny church will not allow their children to mix with any other children if anyone is not of their faith. Surely the most important thing in a relationship, and for children, is love. I don't think if you look in the [marriage] act about family values, there is anything about love. It just says, a father goes out to work, the mother does this, and the children do what they're told. I know gay parents who have children and who love them. But, I've been to old people's homes where the children don't want to have anything to do with their parents [and] these are parents who have come through the church.

Now often we go on about our rights, and I think, yes, rights are fine, and as a Maori I'm there. But also, what are my responsibilities? Because rights without responsibility is worthless. But the white male has got to stop thinking of everybody else as a minority. I remember saying once, I'm doing some [theatre] for Maori, I've got a friend here who's doing some things for Polynesian theatre, [and] we had a woman there doing things for women's theatre, and [the white male contingent] said, it's good to have all these minorities. And we said [well] women make up 51% of the population, [Maori and Pacific Islanders] add another 20%, so what is wrong with this statement that you, as white men, are the only ones who have the majority?

Dunedin October 2004

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New Zealand wages stagnate while share market booms

A number of reports and news items released last month give a glimpse of the inexorable deepening of social inequality in New Zealand. A tiny wealthy minority is prospering more than ever at the expense of ordinary working people. The impoverishment of the working class and the transfer of wealth to the upper layers of society, which has resulted from the "pro-market" offensives of the past two decades, is not only continuing. It is intensifying.

Despite a flood of optimistic propaganda, based on improving employment figures and the longest period of economic growth for 40 years, the real value of wages is falling. A recent survey by the OECD, current to 2002, concluded that New Zealand was now a "low middle income country", alongside Spain, Israel, Cyprus, Greece, Portugal, Slovenia, Korea, Malta, the Czech Republic and Hungary. It was no longer being compared with countries like Australia and the UK, with which it had traditionally aligned itself. At the height of the post-war boom in the 1950s and early 1960s, New Zealand's living standards were ranked as high as 14th in the OECD.

A more specific report by the Westpac Bank, focusing on the last 12 months, showed the real value of wages continuing to decline. Pay rises for most people last year remained less than the inflation rate, which was 2.7 percent in the December quarter. Sectors where there were acute labour shortages, most notably construction, experienced the highest increases, but even these were less than 3.5 percent over the year. The vast majority of workers, including those in communications, forestry, retail, restaurants, catering, energy, transport, education and government services had increases well below 2.5 percent. The lowest increases, at barely over 1.5 percent, were in wholesale and communications.

Despite an overall rate of economic growth of four percent in 2004, the prognosis for 2005 is for New Zealand's wage growth to remain negligible at best. A survey in December by employment consultants Mercer predicted real wage growth will be 0.2 percent, the lowest in the industrialised world. Added to this is a threat made by the Reserve bank in December that it will raise interest rates again this year, despite the possibility of the economy slowing, thus adding to the cost of living. According to Bank of New Zealand economist Tony Alexander, ordinary people are now only maintaining their personal living standards by increasing indebtedness. New Zealanders now have the "worst saving rate in the OECD" at minus 10 percent.

Employers have responded to these reports by unilaterally rejecting timid calls from the union bureaucracy for wage increases in the coming year. The chief executive of Business New Zealand said employers would refuse any increases not linked to productivity gains. He lambasted any claims not based on the principle of "employers and staff agreeing what was fair" as a "siren call" and threatened that any rise in costs would lead to sackings.

Substantial increases in productivity have already been registered over the recent period. Real unit labour costs have fallen on average 0.8 percent every year during the last four years. Moreover, in some sectors, average profits have risen by as much as 12 percent in the past year. In 2003, some employers reported lifting profits per worker by as much as 40 percent.

In other words, the exploitation of the working class has been ratcheted up, creating unparalleled economic prosperity for the business elite. Massive sharemarket gains over the past two years have had investors, in the words of one business editorial, "breaking open the champagne". After record growth in 2003, the market again broke new ground in 2004, increasing in value by \$NZ11 billion. The total value of domestic companies listed in the NZX jumped to \$63.8 billion last year, driven by a 25 percent rise in the value of the top 50 companies and the addition of 20 new companies to the market.

Stock Exchange chief executive Mark Weldon enthused that data from the World Federation of Exchanges put New Zealand in the "top handful" of exchange performances in the past two years. The undisguised elation and sheer greed of the business elite was expressed in a recent report in the business pages of the *Weekend Herald*, which declared that market activity was now at a level not seen since the "roaring markets" of the financial liberalisation period of the 1980's. According to the report, the surge has seen a "river of cash" streaming into the pockets of investors, with "enormous capital returns" accruing to major corporates.

Foremost among these is the dominant national communications company and market leader Telecom, the privatised successor of the former state-owned telephone network. It is about to announce a substantial cash return to shareholders of between \$200 million and \$400 million—at the rate of 10 to 20 cents per share—in the form of a special dividend or a buyback of shares. Market analysts tip the company's first-half profit in 2005 will climb 6 percent in comparison to last year, reaching \$388 million. Chief executives have been particularly well recompensed. The CEOs of the country's 38 largest companies were rewarded with 25 percent pay rises and bonuses last year, matching the rise in the share market. Whereas the average wage has risen in real terms by only 1.26 percent per year from 1998, reaching \$29,000, salaries for some of the better known chief executives range well into the millions. Guinness Peat Group's Tony Gibbs is paid \$3,763,310, Teresa Gattung of Telecom \$2,829,130 and Westpac Bank CEO Anne Sherry receives \$2,646,423.

The social polarisation expressed in these figures constitutes a sharp indictment of the Helen Clark-led Labour government and its chief supporters. Clark has completed almost two successive terms of government since being elected in 1999, presenting Labour as a "centre-left" alternative to the right-wing monetarist economic agenda carried out by the Labour administrations of the 1980s and the National government in the 1990s. As the sharemarket returns to the heady days of the 1980s, however, the wealthy have increased their net worth in each year of the last five years at a greater rate than at any time when the conservative National Party last held office.

A decisive factor in this process has been the alliance between the Labour government and the trade union bureaucracy, which has worked might and main to control and suppress the struggles of the working class, while helping to create the conditions for big business to flourish.

In 2000 Labour changed the laws governing industrial relations, repealing the Employment Contracts Act passed by the Nationals in 1991 and replacing it with the Employment Relations Act (ERA). The purpose of the ERA, which was drafted with the close collaboration of the Council of Trade Unions (CTU), was to restore and promote collective wage bargaining under the control of the unions, and thus provide a legislative foundation for their revival.

Although union membership remained voluntary, collective agreements could only be negotiated by unions operating as workers' "agents". Some limitations on the right to strike were altered so that unions could negotiate multi-employer collective contracts across a particular sector, thus effectively giving the unions the ability to strengthen their grip over broader sections of workers and keep them under control. While union officials had their right of entry to workplaces reinstated, a whole range of long-held workers' rights—including sympathy and secondary

strikes as well as strikes over "social or political causes"—remained illegal, with the full support of the CTU bureaucracy.

These changes had two important effects. Firstly, they saved the unions from looming extinction by placing them back in an influential position in industrial bargaining. In the previous decade, union membership had declined from over 50 percent of the workforce to under 20 percent. The introduction of the ERA brought a halt to this process and in the year to 2001, trade union membership rose by 5.7 percent, from 302,900 to 319,000. This allowed the government to re-assert its credentials among the union bureaucracy and middle-class "left". One Labour enthusiast remarked, for example, that the apparent return of unionism was an indication of a "temporary suspension of the ruling class offensive" which would "allow workers some space in which to reorganise and rebuild their shattered forces".

In fact, the opposite has been the case. The old institutions of the Labour "movement" have been the critical tool in the intensifying assaults on the working class. During the 1980s, Labour's offensive was met with fierce resistance by tens of thousands of workers, most often in opposition to their union leaders. In contrast, the Clark government has been able to impose its program by relying on the unions and the "left", including the Greens, the Alliance and various Maori political formations.

Between 1984 and 86, there was a total of 962 disputes, including strikes, stoppages or lockouts under the Labour government. According to Statistics NZ, these involved some 443,100 workers with the total person-days work lost amounting to 2,510,400. By comparison, between 2000 and 2003, under the Clark government, there were a total of 109 disputes—an average of just under 30 per year—involving 47,900 workers. The total number of person days lost in Labour's entire first term was just 100,300.

John Braddock
Source: WorldSocialistWebSite



FROM WORKING CLASS HERO TO DINOSAUR ONE UNIONIST'S LIFE

In the 1980s, Prime Minister Rob Muldoon abused trade union leader Bill Andersen on a regular basis, NZ tabloid *The Truth* reported that he was “actively working to destroy everything that is good about this country”, and Air New Zealand chairman Bob Owen reportedly said “the only way to fix Mr. Andersen is with a .303 bullet.”



Veteran trade unionist Bill Andersen

But as much as trade union leader Bill Andersen was hated by the bosses, he was trusted and respected by workers. When he was thrown into prison in 1974 for his part in a ferry dispute, within 48 hours 20'000 workers had downed tools and taken to the streets to demand his release. The Minister of Labour scrambled to send the chairman of the Federation of Labour (forerunner of the Council of Trade Unions) to Mt Eden jail to negotiate the end of the strike and Andersen's release.

On 19th January 2005, Andersen died – at 81 years old he was still serving as president of the National Distribution Union. At his memorial service at Orakei Marae in Auckland, former Alliance leader Laila Harre paid tribute to his achievements, including the support he and other unionists gave Ngati Whatua in their struggle to win back the land that Orakei is built on. But the reciting of past glories couldn't hide the dead end that trade unionism and social democracy have reached during Andersen's 60-year political career.

Twenty years after Andersen and the union movement were the cause of sleepless nights for the bosses, they are no longer a political force. In the 90s, millionaire Doug Myers

scornfully disregarded Andersen and his union colleagues as dinosaurs: “they are part of a passing era, and we shall not mourn their passing.”

What went wrong?

Andersen was a unionist for most of his long working life as a seaman, wharfie, and trade union bureaucrat, and played a part in virtually every major grassroots struggle – from the 1951 Waterfront Lockout, where the government used the police and the army to smash the watersiders union, to Maori land rights. But typical of his generation of union leaders, Andersen's untiring dedication to workers' rights and social equality was crippled by his belief in Stalinist-style “communism”.



Waterfront Lockout 1951

Bill was born on 21 January 1924 – coincidentally the day of Lenin's death – to working class parents in Auckland. He was one of four children born to Hans Simonsen Andersen, a Danish sea captain who settled in Auckland in 1903 and Minnie Andersen. Bill was educated at Panmure Primary and Otahuhu Technical College, worked first in an office,

then an engineering works, before following his father's footsteps and taking to sea with the Merchant Navy in the 1940s – during the war against Nazi Germany. His seafaring exposed him to the wider world and to a wider intellectual world, as his reading of socialist classics by people like Marx and Lenin helped him understand the impoverishment of whole regions by colonialism and war.

“Socialism in One Country”

In 1944, Andersen joined the Communist Party of Great Britain (CPGB). The Soviet Union, which was supported by the CPGB, was then allied with Britain (and New Zealand) against Nazi Germany, and the Soviet people had won worldwide admiration for their heroic struggle against the Nazi invasion. Working class militants like Andersen saw the destruction of the war as a result of capitalist competition, and the Soviet Union seemed to them to promise an end to poverty and war. But the USSR was already an oppressive dictatorship ruled by Josef Stalin: the workers' democracy that overthrew the Tsar had been strangled by foreign attack and internal repression.



Evil Joe Stalin:
Stalin's distortion of socialism heavily influenced Andersen

Stalinism didn't only bring repression to Russia – as the Soviet Army drove the Nazis out of Eastern Europe pro-Soviet puppet governments were set up but Communist Parties in countries like France, Greece, Italy (and New Zealand) were ordered to work within the limits of parliament – to accept the nation state and to “peacefully co-exist” with capitalism.

“Socialism in One Country” is the slogan Stalin used to seize power in Russia, and which allowed him to distort the radical democracy of Marxism into totalitarian dictatorship.

But the Russian Communists only led the 1917 revolution because they hoped revolution in Russia would spark international socialist revolution in Germany and other more industrialised countries. They knew Russia was too industrially backward for socialist democracy to survive. Stalin turned Vladimir Lenin and Leon Trotsky's commitment to international revolution on its head – socialism, he said, could be gradually built in one country under the direction of technocrats.

Inevitably, the leadership of the USSR ended up as a corrupt ruling class, fearing nothing so much as instability at home or abroad. In East Germany, Hungary, Czechoslovakia, and Poland, the Communist Parties used the military against their own workers. In New Zealand, the Communist Party and the pro-USSR Socialist Unity Party that Andersen belonged to fought tirelessly for workers' rights, but they were committed to New Zealand Labour's version of socialism in one country, which relied on economic protectionism and support for US imperialism internationally. As Stalinism internationally exposed itself again and again as oppressive, the parties in New Zealand lost their influence in the working class. Even though leaders like Andersen and former CTU president Ken Douglas kept the union jobs they had won when the Stalinist parties were strong, they became pathetically dependent on the Labour Party – even as the Labour Party moved rightwards.

Political paralysis

The mid-1970s to the mid-80s, when workers in Aotearoa were organized and confident, were described by Andersen as the “best years of working class action”. Then, a militant union movement won better wages and conditions for all workers but also threw its weight behind political struggles like the anti-Springbok tour movement and Maori land rights. But the limit of their strategy was to destabilise the conservative Muldoon government and put Labour into power in 1984. Labour, they hoped, would continue to maintain the economic protectionism that had cocooned New Zealand since World War II.

But instead, like centre-left parties throughout the world, Labour abandoned the welfare state and embraced the free market. Even though Labour did not directly attack the unions, their privatisation of state-owned companies led to massive unemployment in the most heavily unionised industries. The resulting unemployment left unions

weakened and union bureaucrats demoralised by Labour Party betrayal. This demoralisation was made worse by the collapse of the Soviet Union, which Andersen supported to the end.

When National slashed welfare and brought in the Employment Contracts Act in 1991, the trade union leadership was caught like a rabbit in the headlights. At union meetings up and down the country, there was a groundswell of support for a nationwide strike. The timing could not have been better – opinion polls repeatedly showed little support for the ECA – even prominent businessmen warned against it for fear of a union backlash – and the National Government recorded lower popularity than any government in NZ history. But even as ordinary workers were ready to tackle the Nats head on, the supposedly far-left union leadership stalled and prevaricated. Ken Douglas, another member of Andersen's Socialist Unity Party, insisted that the era of confrontational industrial relations was over and trade unions had to face "the realities of global competition" – i.e. make New Zealand business competitive by taking cuts in wages and conditions.

In her tribute to Andersen, Laila Harre didn't dwell on his role in 1991, but drew out the lessons of the 1951 waterfront lockout: unions must avoid "militant minority" struggle; and know when to review and, when necessary, retreat. The Employment Contracts Act – and the failure of the CTU to fight against it – led to a decimation of trade union membership in New Zealand. From a total union membership of almost 600,000 workers in 1991, or about 45 percent of the workforce, union membership by the end of 1998 had dropped to just 17 percent. Many industries, such as construction, agriculture and mining have been almost entirely de-unionised.

International Solidarity

National has been replaced by Labour, and the Employment Contracts Act by the Employment Relations Act. The main change in the ERA is that collective contracts have to be negotiated by unions. In practice, non-unionised workers have lost the right to strike. Ironically, the watersiders in 1951 fought against the bureaucratic control of strike action. The government was able to shut them down because they were not an officially recognised union. Now, unionists who celebrate the 1951 strike see government recognition as their only chance of survival.

But the lesson of the last 50 years is that "socialism in one country" cannot work. Economic protectionism and the welfare state are no longer possible and unions that have a

national focus will continue to decline. The passing generation of union leaders may have concluded that the "realities of global competition" mean that unions must avoid confrontation, and cooperation with New Zealand capitalism is the only option. But the opposite is true – as New Zealand capital merges with global capital, Aotearoan unions have to forge effective global links, especially in Asia.

This is no easy or quick solution, and the false hope in the election of union-friendly governments will continue to lure unionists into compromises with "New Zealand" capitalism. But in starting on this hard road we can draw inspiration from Bill Andersen's lifetime of dedication. And the greatest tribute we can pay him is to learn from his mistakes.

Mike Tait



LAWLESS 'LAW' and ORDER' in AUCKLAND



ABOVE: Our victim is fed away (arrested) while another unarmed man, ripped in with batons, is struck from behind. Note the detectives to his right, also with batons drawn. This wire photo was in the daily press—only they "forgot" to touch it to bring out the details.

LEFT: Bert Magnus, a Gallipoli veteran, is taken away with blood streaming from a laceration in the BACK of his head.

BELOW: "Artie" Newman is supported by his brother after receiving severe lacerations to the temple and concussion from savage blows.

★ SEE CASUALTY LIST ON PAGE 3



A copy of the banned watersiders union paper that Andersen helped print

The Holiday Act

Historically, the right to paid time off work is as recent as 150 years ago in New Zealand. In the Employment of Females Act of 1873, holidays were provided every Saturday afternoon after 2pm, Sunday, Christmas Day, New Year's Day, Good Friday, Easter Monday and any other day set aside as a public holiday.



It wasn't for another 70 years, in 1944, that workers gained the right to two weeks paid annual leave, which was increased to three weeks in 1974. Most New Zealand full time employed workers still only receive three weeks, and only since April 2004 have workers on casual contracts (who often work either part time or full time) received paid Annual Leave, Sick Leave or Bereavement Leave at all.

The European Union currently enforces a legal minimum of four weeks annual leave, while some European countries such as France, Austria, Spain and Finland have six weeks Annual Leave. Although the Labour Government has promised to increase the Annual Leave entitlement in the new Holidays Act 2003 this is still far away.

The provision for Annual Leave doesn't take effect until 1 April 2007, but rather than all workers receiving four weeks Annual Leave immediately after 1 April, workers receive four weeks Annual Leave at their next date of leave entitlement after 1 April 2007. This means for example, that if I started working for my employer on 1 March 2007 my next leave entitlement date is 1 March 2008, so I won't receive four weeks Annual Leave until 2008.

The Holidays Act 2003 replaces the Holidays Act of 1981 and most of its provisions came into force on 1 April 2004. The

Act establishes some basic entitlements for workers which cannot be contracted out of. Previously the idea of 'overall advantage' was sometimes used to establish whether or not an employment agreement was legal, for example an employer could exchange public holiday entitlement for an extra week Annual Leave. This has been abolished and each component of the new Act must be the minimum entitlement for workers.

The Act deals with Annual Leave (referred to as Annual Holidays in the Act), Public Holidays, Sick Leave and Bereavement Leave. For more information or advice about how the Act may affect you please call your union.

Time off for holidays, sickness and bereavement is fundamental for workers to maintain some semblance of wellbeing, not to mention other family, community, political and the myriad of other commitments that people have as part of their everyday lives. The changes to the Holiday Act are pretty insignificant and the increase in Annual Leave is still just a promise. Given Labour's history of broken promises, it's worth remembering that the only reliable benefits workers get are won through grassroots struggle.

Melissa Hofmann

Sexism in the City

Three decades after the women's liberation movement burst onto the scene we still see sexist images of women everywhere in advertisements, in movies - even in the education system. It is common to see women depicted either as sex objects or as happy mothers doting on their children. And despite the Equal Pay Act, women are still paid less than men and do the bulk of housework and childcare.

Where does sexism come from?

Some feminists say sexism is a way for men to maintain power over women: that because men have little power in their working lives they cling to the control they have over women at home. In other words, men like sexism because they benefit from it emotionally and financially.

Socialists start our analysis differently - on the basis that society is divided between two classes: the ruling class and the working class. The chains that bind women are part of a wider social system - capitalism. It is a system that always puts profit for the few before the needs of millions of people, and this profit comes from the mental and manual work of ordinary people.

Where does the working class come from?

The working class is reproduced, cared for, and financially centred on the nuclear family. People that don't fit into that structure - e.g. gays, lesbians, and solo mothers - are often the target of rightwing attack because their lifestyle undermines the idea that the "normal" family is the only possible family. The ruling class can not afford to let go of the nuclear family because so much work is done there by women - all of it unpaid. If women are not cooking meals, or helping with homework, or volunteering at the school or the old folk's home, then someone else will have to be paid to do it. It is women's unpaid labour that brings up the workers for the capitalists to exploit. From the restrictive family flows homophobia and sexist stereotyping.

Women's unpaid labour makes up a substantial amount of the national GDP and yet the capitalist system does nothing to aid families - in fact, it is doing less and less. Pregnancy is still the biggest cause of equal employment opportunities (EEO) discrimination in the workplace despite some limited Paid Parental Leave.

Working class men do not benefit if their partner, sister, mother or friend is getting paid less; only the employer does. The idea that all men profit equally from sexism and are equally to blame for it only strengthens the division.



Source: Wikipedia

Moreover, because women's role in the workforce is seen as secondary to their role as mother or homemaker, women are far more likely to work in insecure, casualised jobs - and therefore have less economic independence. If one partner in a relationship has to stay at home to care for children, sick adults, or the elderly, it is more likely to be the woman because her job is so often less well paid.

The stereotype is difficult to break even by the most conscious and well-intentioned. Gender inequality in the family is rooted in the economy.

So how do we combat sexism?

This is where the slogan of the "personal is political" is still relevant. In our political and personal lives we should challenge sexism EVERYWHERE: on the bus, at school, in our workplaces and in the campaigns that we're involved in. We should demand that our male friends take sexism seriously. Insidiously, it's often in our personal lives that sexism is most hurtful *because* it is there that we hope to get away from the stresses of society - all the more reason to challenge it. How many of us have let our mums do the washing up because she "likes to"?



But challenging sexism on a personal level is not enough. Boys wearing pink and girls playing with trucks cannot alone overcome sexism.

Mass struggle, like the abortion rights movement of the 1970s, is needed. The only way ordinary people can exercise power in society is collectively – through strikes, pickets or occupations. This in turn takes unity across lines such as sex, race or sexuality. A good example of this is the 1981 Kortex Strike in

Melbourne. The women workers were mainly recent immigrants and seemed to fit the passive, unorganised, cheap labour. In the course of a 10-day strike however, these women were transformed into organised, self confident class fighters who went up against their bosses, company thugs and even the police - and won! But it wasn't just on the picket lines that attitudes changed. In the homes, men took over childcare and housework so that women could "man" the picket lines.

Workers have a material interest in fighting women's oppression, and are therefore the key to getting rid of it. For example, if workers accept the idea that it is a woman's role to care for the family in the home, then women end up shouldering the financial burden of caring for the elderly instead of the government. To avoid this, they have to reject the idea that "women's place" is in the home and demand the government adequately fund, for example, aged care.

Sexist men are shooting themselves in the foot if they are being derogatory towards women workers in a time of strike action. United, we can fight not just for better wages and conditions, but also for a society run by and for workers, not the rich. And ultimately through struggle, the working class can destroy the very social structures that gave rise to women's oppression in the first place.

Shomi Yoon

*For more information on the inspiring Kortex Strike check out Sandra Bloodworth's *Sweatshop Rebels*.

If you like what you've read in this magazine, check out our literature stall for:

Books

<i>Trotsky's Marxism</i> , Duncan Hallas, London: Bookmarks	\$10
<i>Socialists in the Trade Unions</i> , Alex Callinicos, London: Bookmarks	\$4.50
<i>Race and Class</i> , Alex Callinicos	\$12
<i>The Grand Strategy of the American Empire</i> , Alex Callinicos, International Socialism Journal	\$7

Pamphlets

<i>Why Immigrants are not to Blame</i> , Lance Selfa & Helen Scott	\$2
<i>Alexandra Kollontai on Women's Liberation</i>	\$2
<i>Socialism from Below</i> , David McNally	\$2
<i>Sweatshop Rebels: The story of the Kortex strike</i> , Sandra Bloodworth	\$2
<i>Russia: How the revolution was lost</i> , Chris Harman	\$2
<i>Socialists and Gay Liberation</i> , Colin Wilson	\$2

International Women's Day

Women's Liberation and the Emancipation of the Working Class

In 1909, a group of garment workers in New York City demonstrated on March 8. They had been fighting long and hard for change and marched for the end of sweatshop conditions, equal pay, the vote for women and childcare options for working mothers.



Russia 1917 – International Women's Day

Two years later, in 1911, March 8 was celebrated internationally and became known as International Women's Day. This was a time in Europe where "housewives' uprisings" were becoming commonplace and women were starting to organise and recognise that change would only come through overthrowing the political system.

Perhaps the most important International Women's Day was in 1917 when women in Russia took to the streets demanding bread and their husbands back from the trenches of WWI. This demonstration - this group of women - was the spark that started the Russian Revolution. The Revolution instantly gave women legal, civil, economic, social and political rights such as free access to contraception and abortion and decent support for pregnant women and working mothers. It is important here to note that Stalinist Russia under so called communism or socialism was not the result of the revolution of 1917, but instead the defeat of that revolution. Under the horrors of Stalinism, these rights were quickly lost.

Marx himself vehemently opposed women "belonging" in the home and appointed women to organising positions. This was significant, because this was a time where women were told of the dangers to their health of thinking too much! Marx did this because he recognised the importance of collective struggle. He saw that the division of the working class through sexism as merely a tool of capitalism, which keeps the whole working class oppressed. This division oppresses

women because passive and subjugated women are not on the picket lines, organising, instigating or demanding change.

But revolution will not automatically liberate women. Even after the revolution, nothing happens automatically. Post-revolution is the only real opportunity to find out what a non-sexist society would be like. The reason for this is simple. Socialism before all else is self emancipation of the working class; about half of which are women. Thus, without liberation of women there cannot be the emancipation of the working class and, therefore, no socialism.

No one knows exactly what life will be like after a revolution but we can look at other revolutions and see how people have organised. The first step would be similar to that taken by the workers in Russia in 1917. Abolish all anti-women laws and introduce free contraception, abortion on demand, the right to equal pay and job opportunities. The exploitative images of women in advertising and all forms of violence against women would be combated. Women will no longer be a 'productive tool' of capitalism and families would have the opportunity to make use of state provided housework and childcare. Likewise how people live, who with, and for how long will be a matter of purely personal choice unrestricted by economic pressures. An alternative system to the current one is possible.

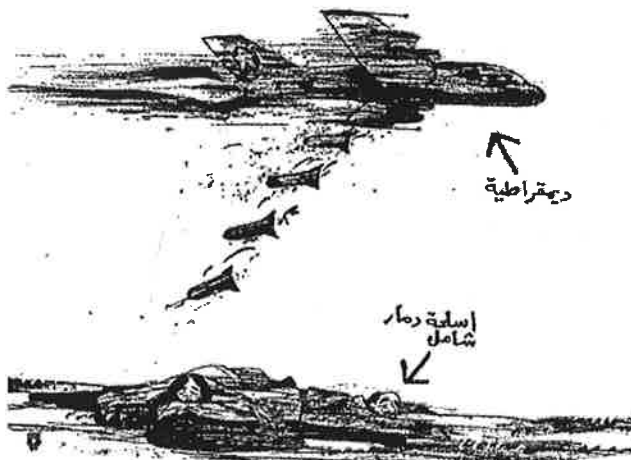
Conclusively women's oppression is born from, perpetuated by and benefits the bourgeoisie in this capitalist system. Fighting for women's liberation is synonymous with fighting to overthrow the class system that has a vested interest in oppressing women, and International Women's Day - a day born from women led industrial struggle - is a good opportunity not only to discuss these issues, but to become a part of the solution.

Melissa Hofmann



Nothing to do with DEMOCRACY

THE BUSH administration wasted no time in declaring the Iraqi elections on January 30 a huge victory for democracy. "By participating in free elections, the Iraqi people have firmly rejected the anti-democratic ideology of terrorists," George Bush declared.



"Dropping Democracy"

The administration's loyal supporters in the media tried to outdo one another with overblown historical comparisons. [T]he people are trying to vote," conservative *New York Times* columnist David Brooks said on PBS's *News Hour*. "It might not be what we like, but it is such a virtuous - it's like the civil rights movement and fighting the Nazis all wrapped up into one."

Make no mistake. The elections in Iraq had nothing to do with civil rights or defeating totalitarianism. They had nothing at all to do with democracy - and everything to do with Washington's quest for oil and empire in the Middle East.

The media ran hours of commentary from their talking heads, but almost none pointed out the absurdity of a "free" election taking place in a country in the iron grip of occupation. Washington showed what it really thinks of the "free" expression of opinions in Iraq when it sent a pre-election message to anyone who dared to resist its authority by flattening the city of Fallujah in November.

U.S. troops were supposed to maintain "low visibility" on Election Day - except in areas where "violence" was expected - but Iraqis know very well the threat that their

armed might represents. These are the real "foreign terrorists" in Iraq - not the U.S. media's fantasies of al-Qaeda members.

The deaths caused by U.S. forces, the humiliations of curfews and checkpoints, the deteriorating conditions and chaos of the occupation - this is the source of the resistance in Iraq, and it has been growing steadily since Bush declared victory in May 2003. The elections may have shifted attention elsewhere, but they didn't change this basic fact.

The big story for the U.S. media was the high voter turnout. That turned out to be exaggerated. Within a day of announcing that 72 percent of the country's 13 million registered voters had cast ballots, election officials revised the figure down to 60 percent. And who knows what the real numbers are - considering that the people in charge of the statistics are loyal first and foremost to Washington.

According to Patrick Cockburn of Britain's *Independent*, Iraq's Sunni Muslim minority mostly boycotted the vote. In fact, in many Sunni-dominated cities, only a portion of polling stations were even open for voting.

Among the Shiite Muslims and the Kurdish minority - who together make up 80 percent of the population - voter turnout was much higher. But this is because leaders of these two groups urged participation in the election.

Moderate Shiite leaders - including the influential cleric Ayatollah Ali al-Sistani - pushed for the early elections against the initial opposition of the U.S. because they stand to gain the most from the vote.

The U.S. was forced to go along with Sistani's plan for the election - but it succeeded in shaping the process so that little would be decided. The votes cast Saturday will elect a Transitional National Assembly that is charged with writing a Constitution - and choosing a president and two vice



New York City: 100,000 take to the streets -- "US Out of Iraq!"

presidents who will then select a prime minister and ministers. All of these steps have *very* flexible deadlines.

The U.S. gained the added bonus of fuelling sectarian and ethnic divisions in Iraq - serving the time-honoured colonial strategy of divide and rule.

If voter turnout was as high among Shiites as the initial reports indicate, U.S. officials will spin this as an endorsement of the U.S. presence in Iraq. That's a distortion of reality.

Some Shia leaders have been moving closer to accepting the U.S. presence. For example, the United Iraqi Alliance - the coalition of parties that Sistani endorsed - dropped a timetable for U.S. withdrawal from its platform during the campaign. But even moderate clerics and politicians recognise that they have to maintain public opposition to the U.S. presence, or risk losing support from ordinary Shia, who overwhelmingly want withdrawal.

As Robert Fisk of Britain's *Independent* newspaper explained the vote, "[The Shia] came to claim their rightful power in the land - that is why Ayatollah Ali al-Sistani, the grand marja of the Shias of Iraq, told them to vote - and woe betide the U.S. and British if they do not get it."

On the *Democracy Now!* radio program, Fisk pointed out, "What this election has done is not actually a demonstration of people who demand democracy, but they want freedom of a different kind - freedom to vote, but also freedom from foreign occupation. And if they are betrayed in this, then we are going to look back and regret the broken promises."

The January 30 election isn't a victory of democracy in Iraq any more than the U.S. military's staged toppling of the statue of Saddam Hussein in Baghdad nearly two years ago. "An election will impress international opinion, but in the immediate future, it changes little in Iraq," wrote Patrick Cockburn. "The world is full of parliaments elected by a ballot, but with power staying with the army, security services or, as in the case of Iraq today, an occupying foreign power."

Iraqis will not gain democracy until the U.S. military has left Iraq. On this point, a growing number of Iraqis, of all backgrounds, agree. In fact, a recent Zogby poll showed that 82 percent of Sunnis and 69 percent of Shiites favour U.S. withdrawal from Iraq.

But the Bush administration doesn't plan on leaving anytime soon. And they intend for the elections - and the new government the voting produces - to lend legitimacy to their occupation for oil and empire.

That's why we strongly support the resistance to US occupation, and the withdrawal of the U.S. from Iraq.

Source: Socialist Worker



BUDDY, CAN YOU SPARE A DIME?

WHAT WITH the bloody chaos being wreaked in Iraq by a re-elected Bush administration, the global scene is already pretty grim. But it could get a lot worse if the dollar crisis predicted by many commentators really gets going.

The dollar has been drifting slowly downwards against other major currencies such as the euro and the yen for some time. Overall it has lost about 17 percent of its trade-weighted value.

It is clear that, whatever the ineffectual US Treasury secretary John Snow may say, the Bush administration is encouraging the dollar's decline. The lower the dollar's exchange rate is with other currencies, the cheaper US exports are relative to those of its competitors. This matters because America imports vastly more than it exports.

The US balance of payments deficit is now around 5.5 percent of national income. Wynne Godley and Alex Izurieta, two economists who have tracked the imbalances in US capitalism over the past few years, predict that on current trends the deficit will rise to 7 percent in 2006 and 8.5 percent in 2008.

The World Bank has long argued that any economy running up deficits at this level will run into a debt crisis. But the US economy is the biggest in the world, and its appetite for imports is critical to keeping the rest of the global economy afloat. The price is that the rest of the world has to lend the US the money it needs to buy their exports. By the end of last year the US had run up gross external liabilities (debt and foreign investment into the US) of \$10,515 billion.

Various idiots on Wall Street and in the Bush administration say this massive inflow of capital is attracted by the strength of the US economy and the high returns that investors can make there. This is not supported by the fact that US multinationals make a higher rate of profit on their direct investments abroad than they do on their domestic investments.

Nearly two thirds of US external liabilities are the result of lending to the American government and companies. East Asia is predicted to loan the US \$310 billion this year, nearly half the annual deficit.

In fact foreign governments, particularly in East Asia, financed \$564 billion, 43 percent of the cumulative US balance of payments deficit of \$1,318 billion for 2002, 2003 and the first half of 2004.

John Plender, writing in the Financial Times just before the invasion of Iraq, commented that "the sinews of war are Asian". For all George Bush's swaggering, his mighty Pentagon depends, in effect, on foreign subsidies.

The inflow of capital from East Asia isn't for charitable purposes. The three biggest economies in the region—Japan, China, and South Korea—all have to export massively in order to grow.

All also have large balance of payments surpluses. By lending some of these surpluses to the US, the East Asian states help to keep the values of their currencies low against the dollar—making their exports competitive in the key US market.

So in effect East Asia lends the dollars it earns from exporting to the US back to the US, thereby allowing US companies and consumers to pay for these exports. This circular flow of capital is keeping the world economy afloat.

The trouble is that this circuit may be starting to unravel. US foreign debt is reaching unsustainable levels. According to Financial Times columnist Martin Wolf, "US gross external liabilities are 11 times export earnings …. The latter figure is similar to those of crisis-hit Latin American economies such as Argentina and Brazil."

Ex US Treasury secretary Larry Summers says that the Bush administration is relying on "a balance of financial terror" to keep capital flowing to the US. East Asia has built up huge dollar reserves whose value would be slashed by a serious fall in the dollar. China, for example, could lose \$200 billion if the dollar lost two fifths of its value against the Chinese renminbi.

But an uncontrollable panic might develop in the financial markets in which a sharp fall in the dollar encouraged investors to dump their dollar assets, pushing the US currency into a vicious downward spiral. Such a crisis would drag the world economy down in the dollar's wake.

Alex Callinicos

Source: Socialist Worker (UK)



Letters

We welcome your feedback. Please send all letters to:

Socialist Review
P O Box 11207
Wellington
New Zealand

Email sr@iso.org.nz

Dear Socialist Review,

Why joining the ISO is better than voting.

In 2004 for the first time, this author felt as if he had actually participated in politics! Rather than casting a vote for one of a number of talking heads and vague promises, I marched, rallied, chanted, discussed and picketed. For so long I had been constantly left with a sense of dissatisfaction after watching or reading the news, but I am ever increasingly being equipped with a critical perspective that actually begins to answer my questions about the world. My first involvement with the ISO was partaking in the Anti-Iraq War march (back in 2003), and my political conscious has grown since then. While the sensationalist media had found more sellable stories than Iraq, the ISO was on the streets picketing; handing out fliers keeping people up to date with the U.S massacre of the innocent citizens of Fallujah recently.

In 2004 the ISO provided a much needed counter-weight (in Dunedin) to racism, homophobia, and bigotry by marching, rallying and protesting on the 'Take Back the Night' march, at a Dunedin "Destiny NZ" political party meeting, and against the Seabed and Foreshore Bill.

This active participation would never have happened were it not for my joining the ISO. When you cast a vote in our

present system of "Democracy" you have to wait three years before you can retract the bad-egg that you were conned into voting for. By the time three years is up you have often forgotten most of the government mishaps or have been so misinformed by our impartial media, that you have no idea what the government has done in its term anyway.

The saddest fact is that your vote or mine is not worth a schmitt because we don't run this economy. Big Business is what drives our economy and therefore what pays for 'our' government. So while the talking heads come up with abstract promises that may sound appealing, their policies will always be targeted at those with the real power. Just as in the other western "democracies" around the world, what we end up with is a situation where (as put by the band Propagandhi) \$1 = 1 Vote.

Feeling powerless? Dont! By joining a grassroots, activist group that provides real answers, I truly have gained a sense of political empowerment. Come along and see what it is I'm talking about. I look forward to having a yarn.

Regards,

"Jim" Fraser
Dunedin

Prosperity for All? Economic, Social and Political Change in New Zealand since 1935 by Brian S. Roper

Thomson/Dunmore Press, available from April/May 2005. ISBN 0170 127 427

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9. Completing Labour's Unfinished Business: National Governments, 1990-1999
10. The Fifth Labour Government: A Third Way Beyond Keynesianism and Neoliberalism?
11. The Historic Shift to Neoliberalism and the Third Way: Explanation, Critique, and Alternatives

Why you should buy this book

- * This book presents an original multidisciplinary interpretation of inter-related developments in the economy, civil society and polity of New Zealand from 1935 to 2004.
- * It contains a wealth of factual information that is not easily accessible elsewhere. For example, the review of the official statistical data on class, gender and ethnic inequality presented in chapters 2-3 is the most extensive currently available that focuses on all three forms of inequality.

* The book is organised to make it a useful teaching resource. The chronological and thematic organisation of the book makes it easy and accessible to use.

* Guides to further reading are provided at the end of each chapter.

* Above all else, you should buy this book because it explains the historical shift from Keynesianism to neoliberalism and the Third Way taking into account the highly complex relationships between the capitalist economic system, class struggles and wider patterns of societal conflict, the shift in the prevailing economic orthodoxy from Keynesianism to neoliberalism, and the specific institutional structure of the state in New Zealand.

Just what are your politics anyway?

You may have noticed that this magazine's politics aren't quite the same as the mainstream media's. So just where do we stand? Below are some of the basic political ideas behind our magazine.

Socialism

Capitalism is a system of crisis, exploitation and war in which production is for profit, not human need. Although workers create society's wealth, they have no control over its production or distribution. A new society can only be built when workers collectively seize control of that wealth and create a new state in which they will make the decisions about the economy, social life and the environment

Workers' Power

Only the working class has the power to create a society free from exploitation, oppression and want. Liberation can be won only through the struggles of workers themselves, organised independently of all other classes and fighting for real workers' power - a new kind of state based on democratically elected workers' councils. China and Cuba, like the former Soviet Union and Eastern Europe, have nothing to do with socialism. They are repressive state capitalist regimes. We support the struggles of workers against every ruling class.

Revolution Not Reformism

Despite the claims of Labour, Alliance and trade union leaders, the structures of the present parliament, army, police and judiciary cannot be taken over and used by the working class.

They grew up under capitalism and are designed to protect the ruling class against workers.

There is no parliamentary road to socialism.

Internationalism

Workers in every country are exploited by capitalism, so the struggle for socialism is part of a worldwide struggle.

We oppose everything that divides workers of different countries. We oppose all immigration controls.

We campaign for solidarity with workers in other countries. We oppose imperialism and support all genuine national liberation struggles.

Liberation From Oppression

We fight for democratic rights. We are opposed to the oppression of women, Māori, Pacific Islanders, gays and lesbians. These forms of oppression are used to divide the working class.

We support the right of all oppressed groups to organise for their own defence.

All these forms of liberation are essential to socialism and impossible without it.

Tino Rangatiratanga

We support the struggle for tino rangatiratanga.

Māori capitalists and politicians have no interest in achieving tino rangatiratanga for working class Māori.

The Government and corporate warriors' approach to Treaty claims has benefited a Māori elite while doing little for working class Māori.

Tino rangatiratanga cannot be achieved within capitalism. It will only become a reality with the establishment of a workers' state and socialist society.

Revolutionary Organisation

To achieve socialism, the most militant sections of the working class have to be organised into a revolutionary socialist party. Such a party can only be built by day-to-day activity in the mass organisations of the working class.

We have to prove in practice to other workers that reformist leaders and reformist ideas are opposed to their own interests.

We have to build a rank and file movement within the unions.

We are beginning to build such a party, linking the ideas of revolutionary socialism to workers' struggles against the system. If you agree with our ideas and want to fight for socialism, we urge you to join us.

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